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JEANNE LONG
ACC EDITOR
CONGRESSIONAL INFORMATION SV
420 EAST WEST HWY 800
BETHESDA MD 20814

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Coachmen Unveils Orion, a 'Luxury Touring Car'

Coachmen Industries Inc., Elkhart, Ind., launched the long-awaited Orion at a press conference in late September. Company officials called the unit "a new classification of vehicle, similar to a European luxury touring car." The unit is equipped with a 351-cid, fuel-injected engine from Ford Motor Co., front-wheel-drive and four-wheel independent suspension on a 10,200-pound gross vehicle weight chassis developed by Coachmen utilizing Ford F-250 components. According to Chuck Ornduff, president of Coachmen's Orion Motors Corp., the unit will be targeted at "people who want all the luxury and convenience they can get in their traveling vehicle . . . people who prefer 'see it all' driving vacations. We expect to see the Orion parked overnight in front of a lot of first-class hotels," he added. The new motorhome unit will carry a suggested retail base price of less than \$50,000. (See the related story, "Class A's: A New Era of Downsizing Ahead?" on the cover and page 14.)

Class A's: A New Era of Downsizing Ahead?

Long before Iraq altered the world's fuel consciousness, an array of U.S. motorhome makers were developing smaller, more fuel-efficient, low-profile Class A motorhomes in an effort to cope with a fiercely competitive marketplace.

Now some of these RV manufacturers believe they may be—almost coincidentally—on the leading edge in an era of downsizing accelerated by world oil politics.

"I think there will always be a market for large vehicles," said Phil Lux, president of Elkhart, Ind.-based Coachmen Industries Inc., which introduced the 23-foot Orion (see the accompanying cover story) in late September. "But I think that, in the

next decade, we'll see the bulk of the sales shift to smaller units. We're already seeing it happen. Look at the proliferation of 25- to 27-foot motorhomes appearing in the Class A marketplace today."

Motorhomes tended to get bigger in the 1980s, explained Fred Emmert, senior vice president for Holiday Rambler Corp. (HRC), Wakarusa, Ind., which is developing a new low-profile, front-wheel-drive coach of its own for a midwinter release. But, in the last three or four years, thanks in part to the introduction of a small Chrysler-powered chassis by Vironex Inc., Canyon Country, Calif., a new niche market has emerged, said Emmert. Now other chassis

builders—Chevrolet Motor Division, Ford Motor Co., Oshkosh Truck Corp. and CDC Inc. included—have begun catering to the low-profile sector.

Emmert added that he thinks that the new chassis and units coming out now are only the beginning of widescale downsizing. "I think you'll have your core of large As, but most Class A expansion will be in the smaller, lighter-weight vehicles and these Class As will be replacements for the C-body business," said Emmert. "These coaches will be efficient in the use of fuel, as well as space utilization, and they will be competitively priced."

Emmert's long-term outlook

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In Prices of
Van Chassis**

**Warrick Plans
Purchase of
Honey Plant**

**Mallard Debuts
Sport Towables**

**ElDorado Execs
To Build Under
Honorbuilt Name**

**Spartan Adds
Short Pusher
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**PRVCA Pleased
By Show, Issues
Trade-Days Policy**

**Lower-Priced
Coach Debuted
By Foretravel**

RV BUSINESS

VOLUME 41, NUMBER 14

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TWO DOLLARS



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Ten Top Dealers	26
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Based on suggestions from RV manufacturers, dealer associations and industry observers, RVB has profiled 10 top dealers from around the country. Each exemplifies success in a different aspect of RV retailing—such as attracting first-timers, dealership facilities, future-oriented development and promotional innovation.

Tow-Vehicle Trends	36
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Although the Big Three automakers are not introducing many major increases in tow ratings, they are continuing to court RV-trailer owners with fine-tuning to improve powertrains and towing capabilities of a wide range of tow vehicles.

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AT RETAIL

JUNE RETAIL MARKET SAGS; SOME REGIONS PERFORM WELL

THOMAS WALWORTH

ALL RV-TRAILER SALES BY REGION JUNE 1990 YEAR-TO-DATE



ALL MOTORHOME SALES BY REGION JUNE 1990 YEAR-TO-DATE



East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; Northeast: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; Pacific: Alaska, California, Oregon, Washington, Hawaii; South Atlantic: Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; South Central: Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama.

By June, RV-trailer registrations for the first six months of 1990 were 2.4% behind the pace of the first half of 1989. The motorhome industry data, which still does not include California numbers, was off 10.9% compared with the first half of last year.

RV-trailer sales in June were off by 1,395 units, or 9.6%, when compared with June 1989. Figure 1 shows the seven national regions ranked according to the percentage change in this June's RV-trailer sales compared with June 1989. The South Central region led the pack, with Alabama reporting the largest percentage gain. In the bottom-ranked Northeast, New Hampshire experienced the largest decline.

Year-to-date retail registrations of RV trailers showed a 1,491-unit, or 2.4%, decline compared with the first six months of 1989. Figure 2 features the regional rankings according to the percentage change in RV-trailer sales for the first six months of 1990 compared with the same period last year. The South Central region once more led the rankings, and Alabama recorded the largest gain. The Northeast continued to trail all others, with New Hampshire having the largest decline.

Meanwhile, the motorhome retail mar-

ket in June was down by 666 units, or 14.5%, when compared with June 1989. Figure 3 details the regional rankings according to the percentage change in motorhome sales from June of last year. The Pacific region topped the list, with Washington state re-

cording the largest gain. The South Atlantic region fell to last place, and Delaware had the greatest decline.

Year-to-date, the motorhome market dropped by 2,441 units, or 10.9%, from 1989. Figure 4 shows the seven regions

RV TRAILERS, JUNE '90				
June '90 Rank	Region	% of Change From June '89	May '90 Rank	
1	S. Central	8.0	4	
2	Mountain	2.3	1	
3	Pacific	-1.5	3	
4	W.N. Central	-8.4	2	
5	E.N. Central	-9.6	6	
6	S. Atlantic	-16.5	7	
7	Northeast	-27.4	5	

Figure 1

MOTORHOMES, JUNE '90				
June '90 Rank	Region	% of Change From June '89	May '90 Rank	
1	Pacific	20.4	4	
2	W.N. Central	.8	2	
3	S. Central	-14.4	3	
4	Mountain	-16.5	1	
5	Northeast	-20.7	6	
6	E.N. Central	-23.7	7	
7	S. Atlantic	-27.1	5	

Figure 3

RV TRAILERS, YEAR-TO-DATE				
June '90 Rank	Region	% of Change Year-to-Date	May '90 Rank	
1	S. Central	17.5	1	
2	Mountain	8.7	2	
3	Pacific	5.0	3	
4	W.N. Central	-3.6	4	
5	S. Atlantic	-7.2	5	
6	E.N. Central	-9.1	6	
7	Northeast	-16.8	7	

Figure 2

MOTORHOMES, YEAR-TO-DATE				
June '90 Rank	Region	% of Change Year-to-Date	May '90 Rank	
1	Pacific	3.8	1	
2	S. Central	-4.0	2	
3	N. Central	-7.1	4	
4	S. Atlantic	-8.9	3	
5	Mountain	-10.8	5	
6	E.N. Central	-19.7	6	
7	Northeast	-21.8	7	

Figure 4

ENTERING A NEW ERA?

MORTON J. MARCUS

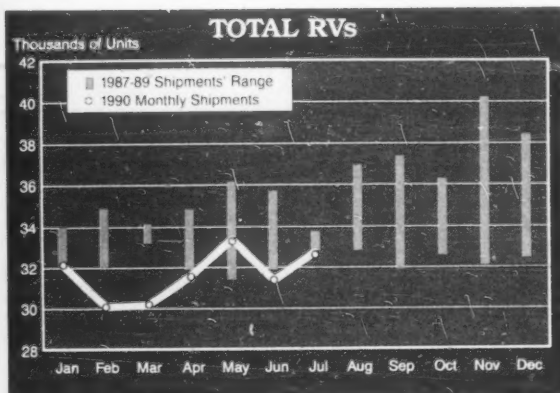


Figure 1

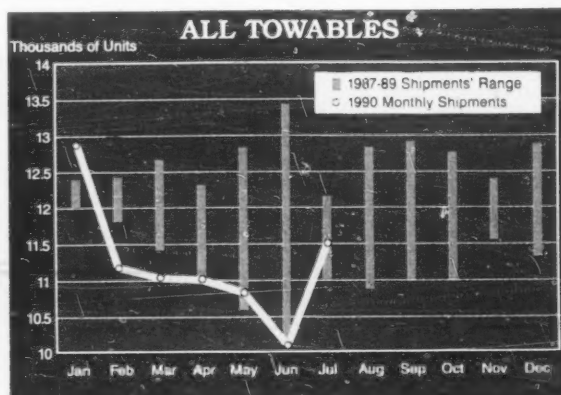


Figure 2

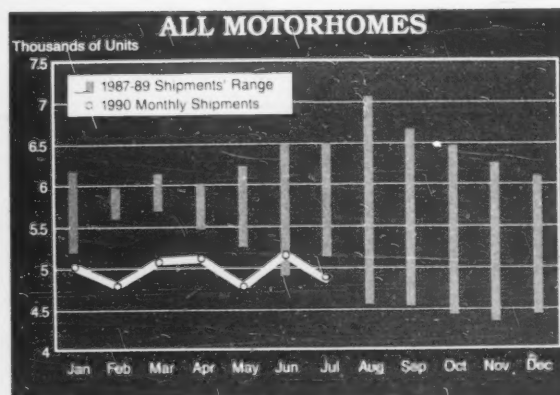


Figure 3

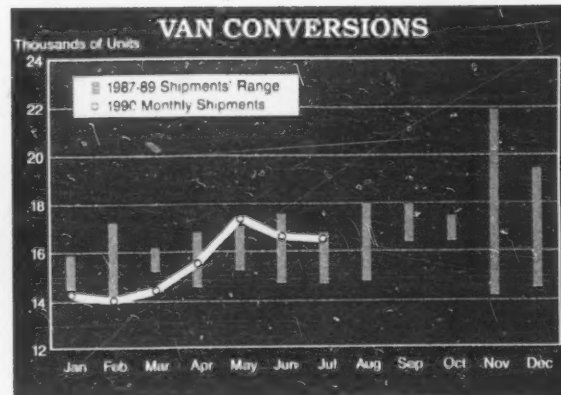


Figure 4

Eras are marked by events, not by particular points on the calendar. The 1970s ended in early 1979 when the shah of Iran was overthrown. This nation then began a long downward slide composed of a massive inflation and a severe recession. This period was followed by a quick recovery and then a long period of slow national growth.

With the invasion of Kuwait by Iraq, the 1980s ended, and the 1990s began. It is possible that we will remember early August of this year as a turning point, marking the move from one era to the next. RV shipment data from RVIA for July were the

last of the pre-Kuwait numbers, and we may be measuring events from this turn in the road in the future.

When adjusted for normal seasonal patterns, the July shipment data showed no new trends or directions. The numbers were a lackluster continuation of the doleful pattern that 1990 had been following. Six of the first seven months of the year were below the monthly range of shipments in the three prior years. (See Figure 1.) July was an improvement over June shipment levels and actually represented the second-best month of the year-to-date.

If there was any good news in the July

figures, it could be the fact that, with a deficit of 8,700 units for the year-to-date, total shipments were nonetheless narrowing the gap between 1990 and last year. In July, the year-to-date tally represented only a 3.8% decline from the nadir of a 9.3% lag recorded in February. Yet equating deficit reduction with progress might be grasping at straws because the fluctuations of monthly shipments in 1990 to date were in a narrow band with little evidence of any-

RVIA SHIPMENTS

thing other than sideways motion.

However, towables did present a different picture. (See Figure 2.) July ended the downward slide that had been in progress the entire year. July was the second-best month for towables recorded in 1990 to date and may have marked the start of a period of improvement.

Motorhomes, by contrast, were down in July. (See Figure 3.) The up-and-down of a less-than-titillating roller-coaster ride best characterized this sector of the RV market through the first seven months. Meanwhile, for van conversions, the ride continued downhill after reaching a peak in May. (See Figure 4.)

The Detailed View

Towables have provided the best news of 1990. By the end of July, only this sector out of the three major sectors of the RV market had posted a gain for the year-to-date—albeit just a gain of 0.5%, or a small 360-unit improvement, over the same period a year ago. The motorhome and van conversion sectors each posted losses for the year through July. As a result, towables added to their market share at the expense of the other sectors. (See Figure 5.) Most of towables' market-share gain came from the share held by motorhomes.

Among the different types in the motorhome segment, Class A and Class C units yielded ground, while Class B units posted a gain. Class B van campers added 630 units, a gain of 21%, which was topped only by the advance made by Class C micro-minis among motorhomes. (See Figure 6.)

Within the towables sector, the picture was very mixed, although the differences were small. Except for park models, all segments gained market-share points, which means that they had either exceeded shipment levels of 1989 through July or had at least not fallen by more than the 3.8% loss of total RV shipments. Conventional travel trailers were the best performers, with a 700-unit gain (2.2%), followed by fifth-wheel units, which advanced by 540 units (3.1%). Park models, folding camping trailers and truck campers all recorded losses for the seven-month period compared with last year.

The changes in towables were slight compared with the larger swings of motorhomes. Class As, with total unit volume about equal to that of folding camping trailers, had a much larger decline, giving up 2,400 units (nearly 11%). Class C mini-motorhomes were off by almost 2,000 units, dropping nearly 18% behind the pace of 1989.

PERCENT MARKET SHARE BY TYPE OF UNIT

(Year-to-date, adjusted for seasonal variation)

	1990	1989	Change
TOTAL RVs	100.00	100.00	0.00
Travel Trailers:	24.18	22.86	1.32
Conventional	14.29	13.45	0.84
Park Models	1.95	2.00	-0.05
Fifth-wheels	7.94	7.41	0.53
Folding Camping Trailers	8.57	8.41	0.15
Truck Campers	2.58	2.56	0.02
TOTAL TOWABLES	35.32	33.84	1.48
Motorhomes:			
Class A	8.83	9.54	-0.71
Class B Van Campers	1.63	1.30	0.34
Class C:	5.16	5.74	-0.59
Minis	4.05	4.74	-0.69
Low Profiles	0.19	0.43	-0.23
Micro-minis	0.91	0.57	0.34
TOTAL MOTORHOMES	15.62	16.58	-0.96
Multiuse Van Conversions	49.06	49.58	-0.52

Percentages may not add to total because of rounding.

Figure 5

As a group, motorhomes were already down by close to 3,600 units (9.4%) for the year-to-date before the Iraqi incursion sent oil prices upward. The best that can be said about the motorhome segment is that the 9.4% deficit was the best level for a year-to-date comparison in the first seven months of 1990. In February, the shortfall from 1989 stood at 16%, and the deficit improved continuously from that point.

Van conversions also cut into their year-to-date deficit in July. After reaching a 14% shortfall in February compared with the

first two months of 1989, the year-to-date lag was cut down to 4.8% by July. Nonetheless, in the first seven months of this year, nearly 5,500 fewer units had been shipped in 1990 than in the previous year. Profits are made on units shipped and sold, not on decreased percentage point differences.

Although some positives can be found in this year's data through July, the fact remains that total shipments were down by more than 8,700 units from 1989 levels at the end of July. Thus, when the armies of Iraq crossed the Kuwaiti border, their actions were not disrupting a thriving and robust RV market.

The question for future analyses will be "How much worse did the RV industry do in 1990 because of the Persian Gulf crisis?" This is similar to basic questions we have about the American economy for the same period. (See *RVB's Quarterly Forecast in the Oct. 8 issue*.) Before the Iraq action, inflation was already a problem. The federal budget deficit was already a national dilemma. Weak economic progress had been our experience for many months before Baghdad became a nightly background for traveling TV newscasters.

"How much worse did it become?" will be our standard inquiry in measuring the effects of Saddam Hussein's ambitions. July 1990 may be the end of an era—the reference point for future analyses. Δ

Morton J. Marcus is the director of the Indiana Business Research Center at Indiana University School of Business, where he is also a member of the faculty. Marcus specializes in using statistics to identify economic trends.

RV SHIPMENTS BY TYPE OF UNIT (Adjusted for seasonal variation)

Type of Units	Jul '90	Change From Jun '90	Year-to-Date	Change
		Number	1990	Number
TOTAL RVs	32,740	920	222,540	8,710
Travel Trailers:	7,810	900	53,810	940
Conventional	4,990	810	31,800	700
Park Models	600	70	4,340	-300
Fifth-wheels	2,220	20	17,670	540
Folding Camping Trailers	3,000	690	19,060	-400
Truck Campers	700	-190	5,730	-190
TOTAL TOWABLES	11,500	1,400	78,610	360
Motorhomes:				
Class A	2,600	-520	19,640	-2,410
Class B Van Campers	580	120	3,640	630
Class C:	1,660	130	11,480	-1,810
Minis	1,450	320	9,020	-1,950
Low Profiles	0	-110	430	-560
Micro-minis	210	-90	2,030	700
TOTAL MOTORHOMES	4,840	-270	34,760	-3,590
Multiuse Van Conversions	16,400	-210	109,170	-5,480

Note: Data rounded to nearest 10 units.

Figure 6